



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	SB0288	Title:	Revise laws related to board of private adolescent programs
Primary Sponsor:	Schmidt, Trudi	Status:	As Introduced - Corrected

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
State Special Revenue	\$20,965	\$7,779	\$13,772	\$4,887
Revenue:				
State Special Revenue	\$20,965	\$7,779	\$13,772	\$4,887
Net Impact-General Fund Balance	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Description of Fiscal Impact:

The fiscal impact is the cost associated with 4 additional board members to the Board of Private Alternative Adolescent Residential or Outdoor Programs and performing background checks on applicants prior to licensing.

FISCAL ANALYSIS

Assumptions:

Department of Labor and Industry

- SB 288 establishes a permanent Board of Private Alternative Adolescent Residential or Outdoor Programs (PAARP). It will be a nine member board with seven members appointed by the Governor; one appointed by the Superintendent of Public Instruction (OPI) or their representative and one appointed by the Director of Department of Public Health and Human Services (DPHHS) or their representative. The board will meet at least four times a year and adopt rules necessary to implement the provisions of SB 288. These estimated costs are based on the board scheduling four - two day meetings and a minimum of two - one day conference calls annually.

2. The board currently has five board members. This fiscal note reflects costs for an additional four board members and operates under the assumption that the two board members appointed by OPI or DPHHS will be Helena based and will not require reimbursement for lodging, mileage and board member per diem other than per diem for meals. Per diem is estimated at $(8 \text{ meeting days} \times 2 \text{ non-Helena based board members} \times \$50 \text{ per diem} = \$800.00) + (2 \text{ conference call days} \times 2 \text{ non-Helena based board members} \times \$50 \text{ per diem} = \$200)$ for a total of \$1,000.
3. Travel expenses for four regular board meetings per year are estimated at \$3,887. (The costs consist of lodging $\$64.20 \times 8 \text{ meeting days} \times 2 \text{ non-Helena based board members} = \$1,027$; meals $\$23 \times 10 \text{ meeting days} \times 4 \text{ board members} = \920 ; mileage $\$.485 \times 500 \text{ miles} \times 4 \text{ meetings} \times 2 \text{ non-Helena based board members} = \$1,940$). The department assumes that there will be five board members on the screening panel & four board members on the adjudication panel to review complaints and these meetings will take place on the regularly scheduled board meeting days.
4. The department estimates it would receive 29 program applications for licensure in FY 2008 and 6 program applications in FY 2009.
5. In FY 2008, it is assumed there will be 10 additional administrative rule pages at \$50 each for a cost of \$500. The department assumes the rule notices, adoption notices, and final rules would be available on the board's website and interested parties would be notified by printed mail ($\$2 \text{ for postage and printing} \times 150 \text{ interested party list members} = \300) for a total additional cost of \$800 in FY 2008.
6. This fiscal note assumes that the inspections would be contracted for and inspections would be grouped geographically to save on expenses. There would be 35 licensed programs to inspect in the FY 2008 biennium with 25 overnight stays ($25 \times \$64.20 = \$1,605$); approximately 3,000 miles of travel ($3,000 \times \$.485 \text{ per mile} = \$1,455$); meals for 25 days ($25 \times \$23 = \575); and a cost of \$150 per program for inspection time ($\$150 \times 35 \text{ estimated programs} = \$5,250$) for a total biennial cost of \$8,885. The average inspection cost per program is approximately \$254 ($\$8,885/35$). It is assumed in FY 2008 that 29 programs will be inspected ($\$254 \times 29 = \$7,361$) and 6 programs will be inspected in FY 2009 ($\$254 \times 6 = \$1,524$).
7. This fiscal note assumes that complaints requiring an additional inspection or investigation will be addressed by existing staff.
8. SB 288 presently requires applicants to forward "any information that the board may require to facilitate fingerprint and background check by the Montana department of justice and the federal bureau of investigation of a manager or a worker affiliated with the program with direct access to program participants, including information pertaining to criminal convictions." Presently, fingerprinting can be done through a local law enforcement agency or through the department of justice. The cost per fingerprinting through the department of justice is \$5; the fee for a national background check performed through the department of justice is presently \$34, for a total cost of \$39 per licensee as of January, 2007. Under SB 288, costs would need to be paid directly to the board in addition to the program license fees in (9). Each program is estimated to have 7 employees. In FY 2008 there will be 203 background checks ($7 \text{ employees} \times 29 \text{ program} \times \$39 = \$7,917$). In FY 2009 there will be 42 background checks ($7 \text{ employees} \times 6 \text{ programs} \times \$39 = \$1,638$).
9. The board will increase fees to cover the increased costs. The licensure application and setting of fees will be established by the board through the administrative rule making process.

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
Deparmtne of Labor and Industry				
<u>Expenditures:</u>				
Personal Services	\$1,000	\$1,000	\$1,000	\$1,000
Operating Expenses	<u>\$19,965</u>	<u>\$6,779</u>	<u>\$12,772</u>	<u>\$3,887</u>
TOTAL Expenditures	<u><u>\$20,965</u></u>	<u><u>\$7,779</u></u>	<u><u>\$13,772</u></u>	<u><u>\$4,887</u></u>
<u>Funding of Expenditures:</u>				
State Special Revenue (02)	\$20,965	\$7,779	\$13,772	\$4,887
<u>Revenues:</u>				
State Special Revenue (02)	\$20,965	\$7,779	\$13,772	\$4,887
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
State Special Revenue (02)	\$0	\$0	\$0	\$0

Sponsor's Initials

Date

Budget Director's Initials

Date